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SUBJECT: A/S SHANNON MEETS WITH ARGENTINE PRESIDENT KIRCHNER

REF: A. 05 BUENOS AIRES 2835
[1](#)B. BUENOS AIRES 36

Classified By: Ambassador Lino Gutierrez, Reasons 1.4(b) and (d)

1 (C) SUMMARY: In their first meeting since the troubled Summit of the Americas at Mar del Plata last November (ref. A), A/S Shannon, accompanied by Ambassador and POLOFF, met January 12 with President Nestor Kirchner. The two discussed Bolivia, Haiti, and the state of the bilateral relationship. Kirchner pushed MERCOSUR as the primary instrument for sub-regional integration. Unlike his Summit meeting with President Bush, where Kirchner was alternately nervous, defensive, and cold, Kirchner warmly greeted A/S Shannon and set a positive tone throughout the meeting. MFA officials appeared relieved that the bilateral relationship had suddenly improved. END SUMMARY.

[1](#)2. (C) Through the efforts of Minister of Planning de Vido, post was able to set up a meeting between A/S Shannon and President Kirchner. Foreign Minister Jorge Taiana, who met with A/S Shannon earlier in the day (reported septel), conveyed Kirchner's invitation to a late afternoon meeting at the Casa Rosada. Accompanied by Ambassador and POLOFF (notetaker), Shannon met with Kirchner for about 30 minutes. Taiana also attended the meeting with Kirchner.

Bolivia

[1](#)3. (C) After the initial pleasantries, A/S Shannon said that Argentina had played an important role in Bolivia's turbulent transition over the last two years. Kirchner said Argentina's goals in Bolivia were strategic. He said former President Sanchez de Losada's October 2003 ouster had been followed by anarchy. "Mesa wasn't a bad president," said Kirchner, "but the contradictions accumulated." Kirchner also thought current interim President Eduardo Rodriguez was fine, but that he had had little real power. He thought Evo Morales' "big victory" last month could end Bolivia's political polarization.

[1](#)4. (C) Looking ahead, Kirchner said it was hard to make predictions about Bolivia's future. He said he had met Morales only a few times and did not know him well, but rated his first steps as acceptable. He believed Bolivian culture

was very different - "very indigenous" - an aspect that differed greatly from Argentina. (However, Kirchner acknowledged that there were many "hard-working" Bolivians living and working in Argentina, particularly in the northern provinces.) Nevertheless, Kirchner said, Argentina was committed to Bolivia's success. The GOA's objective was the "consolidation of republican institutional government." Kirchner said he would work with Brazil's President Lula towards this end. He also said MERCOSUR was the best mechanism to work out problems in the sub-region.

15. (C) Kirchner also hoped to solve the "energy question" -- Argentina's purchases of natural gas, the price of which Morales will probably raise. "We get only 4.5 million cubic meters a day from Bolivia, and we sell 18 million cubic meters a day to Chile." In effect, Argentina was "triangulating" gas. Kirchner said that any problems in the supply from Bolivia would be offset by reducing sales to Chile. (See ref. A for more details on Argentina's energy relationship with Bolivia.)

16. (C) A/S Shannon said we also wanted success in Bolivia, but that the country would need a great deal of help. He said both Argentina and Brazil had primary interests in Bolivia, and our aim was to coordinate our policies to ensure that Bolivia's situation improved. Shannon said our relations with Morales would not be easy, but that we were waiting to see what kind of relationship he wanted with the United States.

Haiti

17. (C) A/S Shannon underscored the importance of having decided on a date for the Haitian elections and the need to defend that date. He said many Haitian elites would prefer for there to be no election at all. MINUSTAH, said Shannon, will be unable to make real progress until the Haitians can elect a new government. He said Argentina had played an important role in Haiti. (Argentina currently has about 600 soldiers deployed as part of MINUSTAH.)

18. (C) Kirchner said that there was "permanent instability" in Haiti and that we should try to avoid another cycle of elections, instability, coups, and chaos. Shannon commented that the key issue was personal security. Haitians in the U.S., for example, were extremely productive and did quite well. Taiana added that there had been recently 240 kidnappings within a one-month period. Taiana also noted that there would be a January 20 meeting of Core Group Vice Foreign Ministers in Haiti.

MERCOSUR

19. (C) Consolidation of MERCOSUR, said Kirchner, was very important. In this regard, Argentina and Brazil had the most important roles to play. It was their responsibility, he said, to attract investment for the smaller partners. Uruguay and Paraguay, Kirchner noted, had "asymmetric economies." He compared MERCOSUR to the European Union, which he said had consolidated very quickly. With the right tools, MERCOSUR could play a similar role and the region could function well.

Bilateral Relationship

110. (C) Kirchner said that apart from our disagreement on the FTAA, he had "no problems with the United States." Kirchner came as close as he could to an apology, saying that he had been "too preoccupied with the (October 23) election" and that he "should have paid more attention to the Summit." He said that "we should never disagree publicly" in the future. Kirchner said we should try to solve our problems behind the scenes, saying that "95% of questions could be solved in private." Nevertheless, Kirchner said he was happy to have had President Bush in Argentina and that he had no desire to

distance himself from the United States. He wanted to deepen the bilateral relationship. Kirchner even extended Q invitation for President Bush to visit Argentina again.

¶11. (C) A/S Shannon said we were disposed to work with Kirchner, and that Argentina's success was key to the success of the sub-region. Our support for Argentina in the IMF had been based on this premise. Shannon said other countries could learn from Argentina's experiences in using economic growth to fight poverty.

Comment

¶12. (C) After the visit, one can hear a sigh of relief on the part of our GOA interlocutors and the general public. No one felt comfortable with the state of relations after Mar del Plata. The changing of the Bolivia equation has made both sides more amenable to dialogue and cooperation. We should not be under any illusions that Kirchner is going to reject Chavez and sign the FTAA; but in a time of indigenous ferment, Brazilian uneasiness about Haiti, growing Hemisphere commercial interests vis-a-vis Europe, and the IMF debt no longer an issue, it makes sense to deepen the dialogue and look for common approaches. On Bolivia, we do not believe Kirchner has a close relationship with Evo Morales, and whatever personal ties that may exist could be undone over Morales' likely demand for higher gas prices and an increase in the flow of illicit drugs from Bolivia. Finally, Kirchner's meeting with A/S Shannon sends a powerful internal message to the GOA; that Argentina needs and wants a closer relationship with the United States. This strong signal will help us on our core interests.

¶13. (U) Reftels available at
<http://www.state.sgov.gov/p/wha/buenosaires.< /a>>

GUTIERREZ